

1                                   Abstract of the Disclosure

2                   A method and system for processing and redeeming  
3 coupons comprises a host computer connected to a database of  
4 coupon card accounts associated with a plurality of coupon  
5 cards. Each account includes at least a consumer identifier,  
6 consumer-selected coupons, and a consumer-selected vendor  
7 identifier. At least the consumer identifier and coupon data  
8 is magnetically stored on a respective card. A coupon card  
9 account may be established from a remote computer connected to  
10 the host computer via a computer network or through a remote  
11 point-of-purchase machine. The host computer transmits account  
12 data to a consumer-selected vendor computer. When a coupon  
13 card and selected products are presented to the vendor, the  
14 vendor computer discounts the price of the products according  
15 to the coupon data on the card and modifies its inventory  
16 records as well. Coupons may be redeemed a predetermined  
17 number of times prior to a predetermined expiration date.